

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representativ	es Present During the Inspection:	
Company	Dennis Oakley Environmental Engineer	
OGM	Steve Demczak Environmental Scientist III	

Inspection Report

Permit Number:	C0150018			
Inspection Type:	COMPLETE			
Inspection Date:	Monday, September 25, 2006			
Start Date/Time:	9/25/2006 11:00:00 AM			
End Date/Time:	9/25/2006 2:00:00 PM			
Last Inspection:	Tuesday, August 29, 2006			

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 60's

InspectionID Report Number: 1092

Types of Operations

Reprocessing

Accepted by: pgrubaug

10/3/2006

Permitee: PACIFICORP

Operator: ENERGY WEST MINING CO

Site: **DEER CREEK MINE**

Address: PO BOX 310, HUNTINGTON UT 84528

County: EMERY

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

22,213.70	Total Permitted
84.34	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

Other

✓ Federal ✓ Underground ✓ State Surface County Loadout ✓ Fee Processing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit Conditions:

- 1) During entry development if sustained quantities of groundwater are encountered which are greater than 5 gpm from a single source in an individual entry, and which continue after operational activities progress beyond the area of groundwater production, PacifiCorp must monitor these flows and notify the Division within 24 hours prior to initiation of monitoring.
- 2) Vehicle access will not be allowed in Rilda Canyon from December 1 to April 15 for construction and/or maintenance of the Rilda Canyon Surface Facilities without prior written approval from the Division. This condition is for normal working circumstances and does not apply in an emergency situation.
- 3) PacifiCorp will submit water quality data for the Deer Creek Mine in an electronic format through the EDI web site.
- -The permittee is meeting these conditions at this time.
- -Permitting Actions New Surface Facilities in Rilda Canyon Mining Plan Approval was issued on December 21, 2005, the state permit was issued on December 1, 2005.
- -Violations: None

Inspector's Signature:

Steve pemczak, Environmental Scientist III

Date

Friday, September 29, 2006

Inspector ID Number: 39

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0150018
Inspection Type: COMPLETE

Inspection Date: Monday, September 25, 2006

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
- b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcemen
1.	Permits, Change, Transfer, Renewal, Sale	\checkmark		\checkmark	
2.	Signs and Markers	✓		✓	
3.	Topsoil	✓			
4.a	Hydrologic Balance: Diversions	V		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	V		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓		✓	
4.d	Hydrologic Balance: Water Monitoring	V		✓	
4.e	Hydrologic Balance: Effluent Limitations	✓		✓	
5.	Explosives	✓			
6.	Disposal of Excess Spoil, Fills, Benches	~			
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		✓	
8.	Noncoal Waste	✓		✓	
9.	Protection of Fish, Wildlife and Related Environmental Issues	✓			
10.	Slides and Other Damage	•			
11.	Contemporaneous Reclamation	✓			
12.	Backfilling And Grading	✓		✓	
13.	Revegetation	V			
14.	Subsidence Control	✓			
15.	Cessation of Operations	✓			
16.a	Roads: Construction, Maintenance, Surfacing	✓			
16.b	Roads: Drainage Controls	V			
17.	Other Transportation Facilities	V		V	
18.	Support Facilities, Utility Installations	✓		✓	
19.	AVS Check	✓			
20.	Air Quality Permit	V			
21.	Bonding and Insurance	V		V	
22.	Other				

Permit Number: C0150018
Inspection Type: COMPLETE

Inspection Date: Monday, September 25, 2006

Page 3 of 4

1. Permits, Change, Transfer, Renewal, Sale

The Division is reviewing the Mill Fork West LBA for the Deer Creek Mine.

2. Signs and Markers

The identification signs were inspected and complied with the minimum requirements of the R645 Coal Rules.

4.a Hydrologic Balance: Diversions

The diversions were spot-checked and would function during a storm event. The diversion taking water from the top of the refuse was completed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The permittee conducted a second quarter sediment pond inspection on June 19, 2006. No hazardous conditions were reported. This document is P.E. certified.

4.c Hydrologic Balance: Other Sediment Control Measures

Several siltation structures were inspected and would function during a storm event.

4.d Hydrologic Balance: Water Monitoring

The permittee is in the process of entering the second quarter water monitoring information into the EDS.

4.e Hydrologic Balance: Effluent Limitations

The monthly UPDES reports were inspected. The permittee was in compliance with the permit.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse piles were inspected by the permittee for the second quarter. This document is P.E. certified. No hazardous conditions were reported.

8. Noncoal Waste

The mine site near the garbage storage area needed to be cleaned up. A waste haul truck had just loaded some of the trash.

12. Backfilling And Grading

Grading is taking place at the Rilda Canyon construction site. The permittee is constructing a pad area for a fan installation. Some additional grading has taken place with the construction of electrical facilities.

17. Other Transportation Facilities

The Rilda Canyon road will be moved with the construction of the Rilda Canyon facilities.

Inspection Continuation Sheet

Permit Number: C0150018 Inspection Type: COMPLETE

Inspection Date: Monday, September 25, 2006

Page 4 of 4

18. Support Facilities, Utility Installations

The permittee continued to construct the pad area for the fan installation.

21. Bonding and Insurance

The insurance policy will expire on August 28, 2007. The insurance company is Assoc. Electricity and Gas Ins. Service LTD. Accord form meets the requirements of the R645 Coal Rules.